

**ASSEMBLY BILL**

**No. 3**

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**Introduced by Assembly Member Conway**

April 15, 2013

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An act to add Section 100523 to the Government Code, relating to health care coverage, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 3, as introduced, Conway. California Health Benefit Exchange: employees and contractors.

Under the federal Patient Protection and Affordable Care Act (PPACA), each state is required, by January 1, 2014, to establish an American Health Benefit Exchange that makes available qualified health plans to qualified individuals and small employers. Existing state law establishes the California Health Benefit Exchange (Exchange) within state government, specifies the powers and duties of the board governing the Exchange, and requires the board to facilitate the purchase of qualified health plans through the Exchange by qualified individuals and small employers by January 1, 2014. Existing law requires the board to employ necessary staff and authorizes the board to enter into contracts.

This bill would require all employees, prospective employees, contractors, subcontractors, and vendors, who facilitate enrollment of persons in a qualified health plan in the Exchange and who, in the course and scope of their employment, have access to the financial or medical information of enrollees or potential enrollees, to be fingerprinted, at appropriate locations determined by the board, for the purpose of obtaining criminal history information. The bill would prohibit a person

who has been convicted of felony crimes of dishonesty or breach of trust in a state or federal jurisdiction or other specified crimes from being hired by or contracting with the Exchange for the purpose of facilitating enrollment of persons in a qualified health plan in the Exchange or for any position where, in the course and scope of his or her employment, he or she will have access to the financial or medical information of enrollees or potential enrollees of the Exchange. The bill would also require an applicant to notify the Exchange of any prescribed misdemeanor or felony convictions, filing of charges, or administrative actions.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The mission of the California Health Benefit Exchange
- 4 (Exchange) is to increase the number of insured Californians.
- 5 (b) According to the Exchange, the Assisters Program is
- 6 designed to target populations in California's vast, geographically
- 7 diverse mix of rural and urban communities, estimated at 4,000,000
- 8 eligible individuals: one hundred thousand in northern California
- 9 and Sierra counties, 130,000 in the Sacramento area, 390,000 in
- 10 the greater Bay Area, 250,000 in the San Joaquin Valley, 140,000
- 11 in the central coast, 780,000 in Los Angeles, and another 750,000
- 12 in southern California.
- 13 (c) According to the Exchange, the Assisters Program is
- 14 designed to target populations within the estimated 4,000,000
- 15 eligible individuals that are ethnically diverse: 1,880,000 estimated
- 16 to be Hispanic, 1,340,000 Caucasian, 470,000 Asian, and 210,000
- 17 African American.
- 18 (d) According to the Exchange, the Assisters Program will
- 19 conduct outreach, education, marketing, and enrollment for the
- 20 Exchange to reach the estimated 4,000,000 eligible individuals.
- 21 (e) The Assisters Program is expected to promote maximum
- 22 enrollment of individuals into coverage and ensure that assisters
- 23 are knowledgeable of both subsidized and nonsubsidized health

1 care coverage and qualified health plans and are equipped with  
2 the information and expertise needed to successfully enroll  
3 individuals into coverage.

4 (f) The Exchange will use individual assisters, in-person  
5 assisters, and navigators in the Assisters Program to accomplish  
6 these goals.

7 (g) Individual assisters, in-person assisters, and navigators will,  
8 necessarily, have access to eligible individuals' personal identifying  
9 information, including social security numbers, personal health  
10 information, and state and federal tax information, to enroll over  
11 4,000,000 Californians in health insurance programs.

12 (h) Agents and brokers, health insurers, and other entities that  
13 currently handle applications for health care coverage and the  
14 applicant's sensitive, personal information are required to be  
15 licensed by the Department of Insurance.

16 (i) The Department of Insurance, by law, is authorized to require  
17 applicants for licensure to pass background checks, including  
18 fingerprinting, as a condition of licensure.

19 (j) It is in the public's interest that eligible individuals  
20 purchasing health care coverage through the services of an  
21 individual assister, in-person assister, or navigator have the same  
22 reasonable expectation of privacy protections afforded to  
23 Californians purchasing health care coverage through a private  
24 agent or broker.

25 (k) To advance the public's interest in protecting and  
26 safeguarding eligible individuals from the unauthorized and illegal  
27 access to, or disclosure of, their personal identifying information,  
28 personal health information, or federal tax information when the  
29 Exchange begins enrolling customers into health care plans for  
30 coverage beginning as early as January 1, 2014.

31 SEC. 2. Section 100523 is added to the Government Code, to  
32 read:

33 100523. (a) The board shall require all employees, prospective  
34 employees, contractors, subcontractors, and vendors, who facilitate  
35 enrollment of persons in a qualified health plan in the Exchange  
36 and who, in the course and scope of their employment, have access  
37 to the financial or medical information of enrollees or potential  
38 enrollees of the Exchange, to be fingerprinted, at appropriate  
39 locations determined by the board, for the purpose of obtaining  
40 criminal history information.

(b) A person who has been convicted of any felony crimes of dishonesty or breach of trust in a state or federal jurisdiction, who has been convicted of any violation of Section 1033 of Title 18 of the United States Code, or who has been convicted of any crime included in Section 2183.2 of Title 10 of the California Code of Regulations shall not be hired by or contract with the Exchange for the purpose of facilitating enrollment of persons in a qualified health plan in the Exchange or for any position where, in the course and scope of his or her employment, he or she will have access to the financial or medical information of enrollees or potential enrollees of the Exchange.

(c) A person who has applied for employment with the Exchange for any position where, in the course and scope of his or her employment, he or she will have access to the financial or medical information of enrollees or potential enrollees of the Exchange shall immediately notify the Exchange upon any misdemeanor or felony conviction, any filing of felony charges in state or federal court, any administrative action regarding a professional or occupational license, or any conviction listed in subdivision (b), if the action occurs after an application has been submitted.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to protect and safeguard customers from the unauthorized and illegal access to, or disclosure of, their personal identifying information, personal health information, or federal tax information when the California Health Benefit Exchange begins enrolling customers into health care plans for coverage beginning as early as January 1, 2014, it is necessary that this act take effect immediately.

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